

EXHIBIT A

WRG Asbestos PI Trust

Special-Purpose Financial Statements
with Supplementary Information
Years Ended December 31, 2022 and 2021

WRG Asbestos PI Trust

Special-Purpose Financial Statements
with Supplementary Information
Years Ended December 31, 2022 and 2021

WRG Asbestos PI Trust

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Independent Auditor's Report

Trustees
WRG Asbestos PI Trust
Wilmington, Delaware

Opinion

We have audited the special-purpose financial statements of WRG Asbestos PI Trust (the Trust) (a common law Trust originally created under the laws of the State of Delaware), which comprise the special-purpose statements of assets, liabilities, and net assets as of December 31, 2022 and 2021, and the related special-purpose statements of changes in net assets and the special-purpose statements of cash flows for the years then ended, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the net assets of the Trust as of December 31, 2022 and 2021, and the changes in net assets and cash flows for the years then ended, in accordance with the basis of accounting described in Note 2 to the special-purpose financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements* section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements which describes the basis of accounting. As described in Note 2, the accompanying special-purpose financial statements were prepared in order to account for the amount of net assets presently available to fund current and future claims, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the basis of accounting as described in Note 2 to the special-purpose financial statements. Management is also responsible for the design,



implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date that the special-purpose financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the special-purpose financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special-purpose financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special-purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Other Matter - Restriction of Use

Our report is intended solely for the information and use of the management of the Trust and is not intended to be and should not be used by anyone other than the specified party.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the annual report and account of the Trust for the year ended December 31, 2022 but does not include the special-purpose financial statements and our auditor's report thereon. Our opinion on the special-purpose financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the special-purpose financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the special-purpose financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BDO USA, LLP

McLean, Virginia
April 26, 2023

Special-Purpose Financial Statements

WRG Asbestos PI Trust**Special-Purpose Statements of Assets, Liabilities, and Net Assets**

<i>Years Ended December 31,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 69,712,066	\$ 80,550,691
Investments, at fair value		
Bonds	1,483,236,950	1,754,510,671
Equity securities	189,510,758	226,242,905
Alternative investments	241,203,244	275,890,406
Interest receivable	17,964,731	18,312,117
Total assets	2,001,627,749	2,355,506,790
Liabilities		
Accrued expenses and accounts payable	1,237,566	3,111,501
Settled but unpaid claims	5,314,400	5,641,637
Total liabilities	6,551,966	8,753,138
Net assets	\$ 1,995,075,783	\$ 2,346,753,652

See accompanying notes to the special-purpose financial statements.

WRG Asbestos PI Trust**Special-Purpose Statements of Changes in Net Assets**

<i>Years Ended December 31,</i>	<i>2022</i>	<i>2021</i>
Additions		
Insurance recoveries	\$ 41,769,838	\$ 12,067,959
Interest and dividend income, net	28,552,910	36,539,920
Net appreciation in fair value of investments	-	16,872,010
Net appreciation in fair value of alternative investments	-	22,864,518
Total additions	70,322,748	88,344,407
Deductions		
Net depreciation in fair value of investments	160,154,047	-
Net depreciation in fair value of alternative investments	33,467,819	-
Personal injury claims expenses	215,918,734	263,717,620
Operating expenses	8,244,897	9,300,454
Federal income tax expense	841,081	26,308,529
Claims processing expenses	3,374,039	3,216,221
Total deductions	422,000,617	302,542,824
Decrease in net assets	(351,677,869)	(214,198,417)
Net assets		
Beginning of the year	2,346,753,652	2,560,952,069
End of the year	\$ 1,995,075,783	\$ 2,346,753,652

See accompanying notes to the special-purpose financial statements.

WRG Asbestos PI Trust**Special-Purpose Statements of Cash Flows**

<i>Years Ended December 31,</i>	2022	2021
Cash flows from operating activities:		
Decrease in net assets	\$ (351,677,869)	\$ (214,198,417)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation (appreciation) in fair value of investment securities	160,154,047	(16,872,010)
Depreciation (appreciation) in fair value of alternative investments	33,467,819	(22,864,518)
Amortization of premiums on bonds, net	40,562,004	35,626,359
Changes in operating assets and liabilities		
Interest receivable	347,386	4,075,915
Accrued expenses and accounts payable	(1,873,935)	2,165,147
Settled but unpaid claims	(327,237)	3,616,390
Total adjustments	232,330,084	5,747,283
Net cash used in operating activities	(119,347,785)	(208,451,134)
Cash flows from investing activities:		
Sales and maturities of bonds	1,014,861,932	777,874,490
Purchases of bonds	(903,257,626)	(634,503,478)
Sales of equity securities	19,193,794	79,167,177
Purchases of equity securities	(23,508,283)	(12,844,469)
Liquidations / distributions of alternative investments	2,206,459	22,205,905
Purchases of alternative investments	(987,116)	(1,075,218)
Net cash provided by investing activities	108,509,160	230,824,407
Net (decrease) increase in cash and cash equivalents	(10,838,625)	22,373,273
Cash and cash equivalents at the beginning of the year	80,550,691	58,177,418
Cash and cash equivalents at the end of the year	\$ 69,712,066	\$ 80,550,691

See accompanying notes to the special-purpose financial statements.

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Notes to the Special-Purpose Financial Statements

1. Description of the Trust

On April 2, 2001, W.R. Grace & Co. (WRG) and 61 of its United States subsidiaries and affiliates including W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica Caribe Land Development Corporation, Hanover Square Corporation, Romeo International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace NH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, and H-G Coal Company (collectively, the Debtors) voluntarily filed petitions for reorganization under Chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the Bankruptcy Court). On January 31, 2011, the Bankruptcy Court entered an order (the Confirmation Order) confirming the modified joint plan of reorganization (the Confirmed Plan) proposed and filed by the Debtors and supported by the Asbestos Personal Injury Committee, the Legal Representative, representing the interests of future asbestos bodily injury claimants, and the Creditors Committee. On January 30, 2012, the United States District Court for the District of Delaware adopted, issued and affirmed the Confirmation Order. The Confirmation Order is final and cannot be appealed. The Confirmed Plan became effective on February 3, 2014 (the Effective Date or the Effective Date of the Plan of Reorganization).

The essential elements of the Confirmed Plan include, among other things: the creation of the WRG Asbestos PI Trust (the Trust) to assume all liabilities and obligations for all Asbestos PI Claims (as defined in the Confirmed Plan) (Asbestos PI Trust Claims) and to use the Trust assets and income to pay the holders of all Asbestos PI Trust Claims in accordance with the Trust Agreement and the Trust Distribution Procedures (TDP) in such a way that such holders of Asbestos PI Trust Claims are treated fairly, equitably and reasonably in light of the limited assets available to satisfy such claims, and to otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B) of the Bankruptcy Code.

The Trustees are responsible for supervising and administering the Trust and the use of the Trust's assets and income to pay the holders of all Asbestos PI Trust Claims in accordance with the terms of and the purposes set forth in the Trust Agreement and the TDP.

WRG Asbestos PI Trust**Notes to the Special-Purpose Financial Statements**

2. Summary of Significant Accounting Policies***Basis of presentation***

The Trust's special-purpose financial statements are prepared using special-purpose accounting methods adopted by the Trust, which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets and the related operating expenses of the Trust. Since the accompanying special-purpose financial statements are not based upon GAAP, the accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

- Assets are generally recorded when they are received by the Trust and are available for the payment of asbestos claims.
- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions from net assets in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.
- The full amounts of claims are expensed in the period in which the confirmed claims are settled. A settled claim is a claim that has been allowed by the Trust and accepted by the claimant, with an approved release. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust. There were settled but unpaid claims of \$5,314,400 and \$5,641,637 as of December 31, 2022 and 2021, respectively. Total claims paid during the years ended December 31, 2022 and 2021, aggregated \$216,245,971 and \$260,101,230, respectively.
- Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.
- Payments for property and equipment are expensed as incurred. Under GAAP, payments for property and equipment are capitalized and depreciated over the useful lives of the assets. To date, the Trust has incurred no expenses related to purchases of property and equipment.
- Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Under GAAP, the provision for income taxes is recorded based upon income reported for special-purpose financial statement purposes, and federal income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes include a provision for taxes attributable to changes in unrealized gains and losses on investments.
- Insurance recoveries are not recorded until the funds are received from the insurance carriers. These recoveries come from various insurance settlements, which were obtained

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Notes to the Special-Purpose Financial Statements

by WRG and related entities including Debtors and other affiliates and assigned to the Trust. The insurance policies cover, among other things, products and general liability claims. Future recoveries under such settlements have been assigned to the Trust pursuant to the Confirmed Plan. Under GAAP, insurance recoveries are recorded upon settlement and assurance of collectability.

- Under GAAP, for financial statement disclosure purposes all investments would be categorized based on the priority of inputs used to measure fair value. Under GAAP, inputs used in measuring fair value are categorized into three levels. Level 1 includes inputs that are based upon quoted prices for identical instruments traded in active markets. Level 2 includes inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment. Level 3 includes inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. The accompanying special-purpose financial statements do not categorize investments into these levels.

Use of estimates

The preparation of special-purpose financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosures of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to the net assets during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on the net assets.

Cash equivalents

The Trust considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

Investments

Investment securities are stated at fair value. Fair value for investment securities, other than alternative investments, are based on quoted market prices for identical or similar instruments traded in active markets as of the date of the special-purpose financial statements. The fair value for alternative investments is based on the Trust's proportionate share of each fund's net assets, as reported as of the date of the special-purpose financial statements. The net appreciation or depreciation in fair value of investments in the accompanying special-purpose statements of changes in net assets consists of realized gains or losses on sales of investments and the changes in unrealized gains or losses on investments held. Investment income is recognized when earned. Interest and dividend income, net of investment expenses and amortization and accretion of bond premiums or discounts, are included in interest and dividend income, net in the accompanying special-purpose statements of changes in net assets. Gains and losses on sales of investment securities are determined using the average cost method.

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Notes to the Special-Purpose Financial Statements

Accrued expenses and accounts payable

Accrued expenses and accounts payable consist of accruals and outstanding invoices associated with managing and operating the Trust.

Operating expenses

Operating expenses of the Trust are paid from the net assets when invoices are received.

Claims processing expenses

Claims processing expenses are paid from net assets when invoices are received.

Income taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). As a result, the Trust is subject to federal income taxes based on modified gross income, as defined by the Code. In the opinion of the Trustees and advisors, the Trust is not subject to state income taxes and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes.

Income tax expense is estimated and includes amounts payable or receivable under current federal income taxes.

The Trust records income tax expense (or benefit) associated with amounts payable (or receivable) under current federal income taxes, and does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with changes in cumulative unrealized gains and losses on investments (see Note 4). The income taxes associated with gains on investments will be recorded in the Trust's special-purpose financial statements when the net gains are realized (i.e. the securities are sold) and the taxes become currently payable.

The Trust is generally no longer subject to income tax examinations by the Internal Revenue Service for the years ended December 31, 2018 and prior.

Risks and uncertainties

Certain of the Trust's assets are exposed to credit risk. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has never experienced any losses related to these balances. There are no amounts on deposit in excess of federally insured limits at December 31, 2022.

The Trust invests in a professionally managed portfolio that contains common shares of publicly traded companies, U.S. and Canadian government obligations, money market funds, and alternative investments. Such investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Trust's account balance and the amounts reported in the special-purpose statements of assets, liabilities and net assets.

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Notes to the Special-Purpose Financial Statements

3. Related Parties

The Trust is a member in the Delaware Claims Processing Facility (DCPF), a limited liability company, under an agreement with several other Qualified Settlement Funds. The purpose of the DCPF is to operate a claims processing facility. At inception, the Trust contributed \$100 in capital to this entity.

The Trust incurred expenses related to the operation of this entity of \$3,374,039 and \$3,216,221 for the years ended December 31, 2022 and 2021, respectively. Expenses charged to the Trust related to the operation of this entity include start-up costs, direct labor expense, other direct expenses, and an allocation of common costs. There were no amounts due by the Trust to DCPF as of December 31, 2022 and 2021.

4. Investment Securities

Investments in bonds and equity securities consist of the following at December 31:

2022				
<i>Description</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Bonds	\$ 1,507,924,064	\$ 12,308,088	\$ (36,995,202)	\$ 1,483,236,950
Equity securities	80,157,445	110,692,598	(1,339,285)	189,510,758
	\$ 1,588,081,509	\$ 123,000,686	\$ (38,334,487)	\$ 1,672,747,708

2021				
<i>Description</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Bonds	\$ 1,702,004,537	\$ 58,114,702	\$ (5,608,568)	\$ 1,754,510,671
Equity securities	78,886,371	148,369,824	(1,013,290)	226,242,905
	\$ 1,780,890,908	\$ 206,484,526	\$ (6,621,858)	\$ 1,980,753,576

Net (depreciation) appreciation in the fair value of investment securities of (\$160,154,047) and \$16,872,010 for the years ended December 31, 2022 and 2021, respectively, consists of the net change in unrealized gains (losses) and net realized gains (losses) from investment sales.

WRG Asbestos PI Trust**Notes to the Special-Purpose Financial Statements*****Net unrealized gains and losses***

The net change in unrealized gains (losses) from market appreciation is comprised of the following investments securities for the years ended December 31:

	2022	2021
Bonds	\$ (77,193,248)	\$ (43,133,457)
Equity securities	(38,003,221)	14,372,952
	\$ (115,196,469)	\$ (28,760,505)

Realized gains and losses

Net realized gains (losses) from investment sales consist of the following for the years ended December 31:

	2022	2021
Bonds	\$ (41,907,490)	\$ 11,711,725
Equity securities	(3,050,088)	33,920,790
	\$ (44,957,578)	\$ 45,632,515

Summary of changes in alternative investments

The table below sets forth a summary of changes in the fair value of the Trust's alternative investments for the years ended December 31:

	2022	2021
Balance, beginning of year	\$ 275,890,406	\$274,156,575
Purchases of alternative investments	987,116	1,075,218
Liquidations / distributions of alternative investments	(2,206,459)	(22,205,905)
Net appreciation in fair value	(33,467,819)	22,864,518
Balance, end of year	\$ 241,203,244	\$275,890,406

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Notes to the Special-Purpose Financial Statements

The major categories of the Trust's alternative investments, including general information related to each category, are as follows:

	Fair Value		Redemption Frequency (if Currently Eligible)	First/Next Redemption	Notice Period (days)	Gate
	2022	2021				
(a)						
			Annually - anniversary date			
Multi-strategy fund	\$ 32,133,703	\$ 36,256,799		June 30, 2023	45	None
Multi-strategy fund	22,406,625	20,861,788	25% Quarterly	March 31, 2023	67	None
Multi-strategy fund	18,134,820	18,658,287	Quarterly	June 30, 2023	44	25%
			Every 2 years - anniversary date			
Multi-strategy fund	8,287,796	13,227,476		June 30, 2023	90	None
	80,962,944	89,004,350				
(b)						
Long/short fund	18,979,842	22,816,090	25% Quarterly	March 31, 2023	65	None
Long/short fund	10,141,087	12,634,939	Quarterly	June 30, 2023	75	None
	29,120,929	35,451,029				
(c)						
Credit opportunities	1,283,949	1,570,245	In liquidation	N/A	N/A	N/A
Credit opportunities	212,952	960,185	In liquidation	N/A	N/A	N/A
	1,496,901	2,530,430				
(d)						
International equity	38,381,148	49,512,357	Monthly	January 31, 2023	30	None
International equity	46,006,887	47,911,323	Monthly	January 4, 2023	6	None
International equity	45,234,435	51,480,917	Semi Monthly	January 15, 2023	None	None
	129,622,470	148,904,597				
	\$ 241,203,244	\$ 275,890,406				

(a) Alternative investments within this category use a variety of strategies to diversify risks and reduce volatility. These strategies include seeking capital appreciation through event-driven investments that seek to exploit situations in which announced or anticipated events create inefficiencies in the pricing of securities, investing in securities of issuers experiencing financial distress, investing in event-driven and risk arbitrage securities, and purchasing long and selling short in publicly-traded securities and loans. Other strategies of funds in this category include investing in U.S. and non-U.S. companies' debt and equity securities, investing in event-driven situations involving litigation, regulatory or legislative changes, and global investments focused on investments with capital structure changes, spin-offs, recapitalizations, liquidations, and reorganization among other events.

(b) Alternative investments in this category employ long and short trading strategies in various markets. More specifically, these long/short strategies include preservation and growth of capital over the long-term

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Notes to the Special-Purpose Financial Statements

through investments in U.S. and international public equities of consumer related companies, and equities and equity-related securities of companies in the Western European markets.

(c) Alternative investments in this category employ strategies that seek long-term appreciation of assets through active leveraged trading and investment, primarily in North American, European, and Asian credit markets, as well as investing in a broad array of securities within the leverage finance marketplace. Investments include, but are not limited to, equity and credit market instruments, leveraged loans, high yield bonds, distressed securities, etc.

(d) Alternative investments within this category invest primarily in equity securities. The objective of these funds is to achieve maximum total return by investing primarily in equity securities of non-U.S. domiciled issuers by selecting long term portfolio securities on the basis of research and fundamental analysis, and seeking to take opportunistic advantage of market inefficiencies by trading securities with a shorter horizon, to afford participants an opportunity to obtain long-term growth primarily from a diverse portfolio of global equity securities, and to achieve an attractive long-term rate of return and to outperform the MSCI World (Net) Index over a full market cycle by investing primarily in equity securities listed on global stock exchanges.

5. Income Taxes

During the years ended December 31, 2022 and 2021, the Trust made estimated income tax payment totaling \$862,000 and \$23,600,000, respectively.

The Trust has estimated a taxable loss for the year ended December 31, 2022. Accordingly, as of December 31, 2022, the Trust has approximately \$9,200,000 in net operating losses available to offset future taxable income, if any. In addition, during the year ended December 31, 2022 the trust realized losses on the sale of investments. Accordingly, as of December 31, 2022, the Trust has approximately \$45,000,000 in net capital loss carryforwards available to offset future taxable gains, if any.

As of December 31, 2022, the estimated deferred tax liability associated with unrealized gains on investments is approximately \$31,000,000.

As disclosed in Note 2 to the special-purpose financial statements, the Trust does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with cumulative unrealized gains and losses on investments.

6. Insurance Recoveries

During the years ended December 31, 2022 and 2021, the Trust received insurance recoveries from insurers in the amount of \$41,769,838 and \$12,067,959, respectively. Under the terms of settlement agreements with certain insurance companies, the Trust may be entitled to future insurances recoveries. In accordance with the Trust's accounting policies, such insurance recoveries are recorded as an addition to net assets when the funds are received from the insurance companies.

7. Contingent Liabilities

The Plan Documents (as defined in the Confirmed Plan) subject the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust. The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material. The Trust has obtained insurance for purposes of supporting its obligation to indemnify the Trustees.

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Notes to the Special-Purpose Financial Statements

8. Liability for Asbestos Claims

The settled but unpaid claims liability at December 31, 2022 and 2021 consists of personal injury claims that were settled and approved for payment by the Trust, but were unpaid as of December 31, 2022 and 2021, respectively. These amounts have been included in settled but unpaid claims in the accompanying special-purpose statements of assets, liabilities and net assets and in personal injury claims settled expense in the accompanying special-purpose statements of changes in net assets for the years ended December 31, 2022 and 2021.

The ultimate number of Asbestos PI Trust Claims to be filed and the liability for all such claims are uncertain at this time. The net assets at December 31, 2022 and 2021, represent funding available for all Asbestos PI Trust Claims for which no fixed liability has yet been established. The net assets at December 31, 2022 and 2021, may or may not be sufficient to meet all future obligations of the Trust.

9. Trust Liability Insurance

The Trust purchased liability insurance requiring premiums of \$370,645 and \$375,101 for the years ended December 31, 2022 and 2021, respectively. The policy term was from February 3, 2022 to February 3, 2023 and was renewed through February 3, 2024 subsequent to December 31, 2022. The Trust's accounting policy is to expense in the current period any amounts that will not be available to pay future Asbestos PI Trust Claims or expenses of the Trust. Accordingly, \$370,645 and \$375,101 was recorded as a deduction in net assets during the years ended December 31, 2022 and 2021, respectively.

10. Trustees, Trust Advisory Committee, Future Claimants' Representative, and Delaware Claims Processing Facility Board of Managers

Fees and expenses of the Trustees, Trust Advisory Committee, Future Claimants' Representative and Delaware Claims Processing Facility Board of Managers for the years ended December 31 were as follows:

	2022			
	Fees	Retainer	Expenses	Total
Trustees	\$ 581,822	\$ 216,249	\$ 5,818	\$ 803,889
Future Claimants' Representative	193,939	-	2,743	196,682
Future Claimants' Representative Counsel	62,933	-	1,046	63,979
Trust Advisory Committee	2,945	-	19,168	22,113
Trust Advisory Committee Counsel	97,173	-	873	98,046
Delaware Claims Processing Facility Board of Managers	70,505	-	-	70,505
	\$ 1,009,317	\$ 216,249	\$ 29,648	\$ 1,255,214

WRG Asbestos PI Trust**Notes to the Special-Purpose Financial Statements**

2021				
	Fees	Retainer	Expenses	Total
Trustees	\$ 713,225	\$ 228,970	\$ 1,435	\$ 943,630
Future Claimants' Representative	124,414	-	-	124,414
Future Claimants' Representative Counsel	54,503	-	-	54,503
Future Claimants' Representative Counsel Retained Professionals	13,513		946	14,459
Trust Advisory Committee	1,205	-	-	1,205
Trust Advisory Committee Counsel	68,615	-	61	68,676
Delaware Claims Processing Facility Board of Managers	56,036	-	-	56,036
	\$ 1,031,511	\$ 228,970	\$ 2,442	\$ 1,262,923

The above amounts are included in operating expenses in the special-purpose statements of changes in net assets for the years ended December 31, 2022 and 2021.

11. Subsequent Events

The Trust has evaluated its December 31, 2022 special-purpose financial statements for subsequent events through April 26, 2023, the date the special-purpose financial statements were available to be issued. The Trust is not aware of any subsequent events which would require recognition or disclosure in the special-purpose financial statements.

Supplementary Information



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Independent Auditor's Report on Supplementary Information

Trustees
WRG Asbestos PI Trust
Wilmington, Delaware

Our audits of the special-purpose financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those special-purpose statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audits of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

BDO USA, LLP

McLean, Virginia
April 26, 2023

WR Grace Asbestos PI Trust**Supplementary Schedules of Operating Expenses**

<i>Years Ended December 31,</i>	2022	2021
Investment advisory and management fees	\$ 2,625,427	\$ 3,557,124
Legal fees	1,128,067	1,114,719
Other legal fees	1,005,352	1,293,837
Trustee fees, retainer, and expenses	803,889	943,630
Accounting, audit, and actuarial fees	710,758	905,085
Professional fees	675,981	770,811
Miscellaneous operating expenses	408,299	19,584
Trust liability insurance	370,645	375,101
Future Claimants' Representative fees and expenses	196,682	124,414
Trust Advisory Committee Counsel fees and expenses	98,046	68,676
Delaware Claims Processing Facility Board of Managers	70,505	56,036
Administrative fees	65,154	1,270
Future Claimants' Representative Counsel fees and expenses	63,979	54,503
Trust Advisory Committee fees and expenses	22,113	1,205
Future Claimants' Representative Counsel Retained Professionals fees and expenses	-	14,459
Total operating expenses	\$ 8,244,897	\$ 9,300,454

See independent auditor's report on supplementary information.